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**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.
FIRE FIGHTERS' ACCOUNT**
Houma, Louisiana

**General Purpose Financial Statements
With Supplemental Information Schedules
And Independent Auditor's Reports**

As of and for the Year Ended December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 12 2000

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**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.
FIRE FIGHTERS' ACCOUNT**

Houma, Louisiana

General Purpose Financial Statements
With Supplemental Information Schedules
and Independent Auditor's Report

As of and for the year ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Bayou Cane Volunteer Fire Department, Inc.
Fire Fighters' Account
Houma, Louisiana

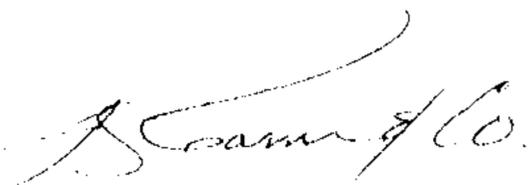
We have audited the accompanying general purpose financial statements of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account (the Account) (A Non-Profit Organization), as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements present only the Fire Fighters' Account Fund referred to above and do not include the assets, liabilities, and fund balances and revenues and expenditures that are recorded in other funds of the Bayou Cane Volunteer Fire Department, Inc. Accordingly, the accompanying financial statements are not intended to present the financial position of Bayou Cane Volunteer Fire Department, Inc. as of December 31, 1999, and the results of its operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2000 on our consideration of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



May 31, 2000

Statement A

**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC
FIRE FIGHTERS' ACCOUNT
Houma, Louisiana**

**Balance Sheet
December 31, 1999**

ASSETS

Cash - South Louisiana checking account	\$ 87,352
Total assets	\$ 87,352

LIABILITIES AND FUND BALANCE

Accounts payable and accrued expenses	\$ 9,288
Due to Bayou Cane Fire Protection District	37,868
Total liabilities	47,156
Fund Balance - unreserved	40,196
Total liabilities and fund balance	\$ 87,352

The accompanying notes are an integral part of this statement.

**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC
FIRE FIGHTERS' ACCOUNT
Houma, Louisiana**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the Year Ended December 31, 1999**

	<u>ACTUAL</u>
REVENUES	
Intergovernmental:	
Bayou Cane Fire Protection District:	
Contractual services	\$ 990,297
Miscellaneous:	
Interest earned	1,001
Other	<u>5,851</u>
Total revenues	<u>997,149</u>
 EXPENDITURES	
Public safety:	
Personal services	164,335
Supplies and materials	84,152
Repairs and maintenance	15,514
Other services and charges:	
Insurance	80,670
Training and travel	4,603
Utilities and telephone	16,926
Professional fees	26,223
Medical	3,011
Other	10,311
Total expenditures	<u>405,745</u>
EXCESS REVENUES (EXPENDITURES)	591,404
FUND BALANCE AT BEGINNING OF YEAR	35,874
LESS: CAPTIAL ADDITIONS	<u>(587,083)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 40,195</u>

The accompanying notes are an integral part of this statement.

BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.
FIRE FIGHTERS' ACCOUNT
Houma, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bayou Cane Volunteer Fire Department, Inc. is organized as a non-profit, quasi-governmental corporation to provide fire protection to the Parish of Terrebonne. The Fire Fighters' Account (the Account) is a restricted fund of the corporation to account for revenues from governmental agencies.

The financial statements of the Account are prepared on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related liability is incurred. Fixed assets and long-term debt are accounted for in other funds, and accordingly, capital additions and debt retirement are shown as changes to fund balance. Amounts transferred from other funds of the corporation are also shown as changes to fund balance.

NOTE 2. FIRE PROTECTION CONTRACT AND ECONOMIC DEPENDENCE

On May 3, 1997, the voters of the Bayou Cane Fire Protection District (the District) approved a 10 mill property tax for a period of 10 years beginning in 1997 to operate and maintain fire protection services. The District has contracted with the Fire Department to provide these services for a period of one year beginning January 12, 1998. The contract is renewed automatically unless one of the parties provides written notice of cancellation at least ninety days prior to expiration. The income from this contract accounts for a substantial portion of the Fire Department's revenues.

NOTE 3. RISK MANAGEMENT

The Fire Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. To manage this risk, the Fire Department has obtained coverage through participation in the Terrebonne Parish Government's self-insurance program and through the purchase of commercial insurance. During 1999, there were no claims in excess of insurance coverage.

NOTE 4. LITIGATION AND CLAIMS

As of December 31, 1999, there was an appeal pending in the Federal 5th Circuit Court of Appeals, in the matter entitled *Leonard vs. Gautreaux*. Since that date, the Court of Appeals has issued its ruling, affirming the decision of the lower court, in favor of Chief Gautreaux, the Bayou Cane Volunteer Fire Department, Inc., and other members of the department and the parish. As a result, all activities surrounding that litigation have come to a close. The Bayou Cane Volunteer Fire Department, Inc. is involved in no other pending or threatened litigation.

Supplemental Information Schedules

**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.
FIRE FIGHTERS' ACCOUNT**

Schedule 1

Houma, Louisiana

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>None</u>	<u></u>	<u></u>	<u></u>	<u></u>

Description of Finding:

There were no findings reported.

Corrective Action Taken:

**BAYOU CANE VOLUNTEER FIRE DEPARTMENT, INC.
FIRE FIGHTERS' ACCOUNT**

Schedule 2

Houma, Louisiana

Corrective Action Plan for

Current Year Audit Findings

For the Year Ended December 31, 1999

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>None</u>	<u></u>	<u></u>	<u></u>	<u></u>

Description of Finding:

There are no findings required to be reported.

Corrective Action Planned:

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Report on Compliance and on Internal Control

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Bayou Cane Volunteer Fire Department, Inc.
Houma, Louisiana

We have audited the financial statements of the Bayou Cane Volunteer Fire Department, Inc. Fire Fighters' Account, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 31, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

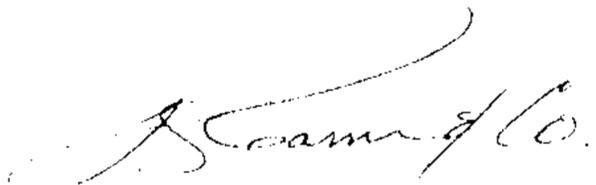
Compliance

As part of obtaining reasonable assurance about whether the Bayou Cane Volunteer Fire Department, Inc Fire Fighters' Account's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bayou Cane Volunteer Fire Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



May 31, 2000